



Department of Justice

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**JUSTICE DEPARTMENT PETITIONS COURT TO FIND INTERSTATE BAKERIES
CORPORATION IN CIVIL CONTEMPT FOR VIOLATION OF 1996
CONSENT DECREE**

WASHINGTON, D.C. -- The Department of Justice today petitioned the United States District Court in Chicago, Illinois to find Interstate Bakeries Corporation (IBC) in civil contempt for violating a 1996 Judgment of the Court.

Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division, emphasized the importance of this action -- both in fixing this violation and in warning other defendants that are covered by antitrust consent decrees. "The Department expects all parties bound by court-ordered judgments to obey those judgments," said Klein. "We will not hesitate to go to court to make sure that the public is protected and our decrees are enforced."

The Department's Antitrust Division filed a civil antitrust lawsuit on July 20, 1995 to block the merger of IBC and Continental Baking Company. At the time, IBC and Continental Baking Company were two of the three largest producers of white pan bread. Pursuant to the Final Judgment entered on January 9, 1996, IBC licensed its Weber's label to Four-S Baking Company for production and sale of Weber's brand bread in the Southern California area. On March 29, 1999, Four-S was purchased by Bimbo Bakeries USA Inc., which became the sole stockholder of Four-S.

The Final Judgment required IBC to grant "a perpetual, royalty-free, assignable, transferable, exclusive license" to use the Weber's label. Despite the clear language of the Court's order, IBC has demanded that Four-S return the formulas and production processes for

the baking of Weber's bread. In addition, IBC has threatened to sue Four-S and its new owner if they continue to use the assets that were ordered divested by the court. The Department's papers state that IBC's actions are in civil contempt of the Final Judgment.

Civil contempt is a sanction to enforce compliance with an order of the court and a court may order a fine to coerce a defendant into compliance with the court's order. The Department has requested the court find IBC in contempt and fine IBC for each day it is in violation of the order to comply.

IBC is headquartered in Kansas City, Missouri, and is the maker of Wonder Bread.

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